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ORIGINAL

## THE ARIZONA CORPORATION COMMISSION

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Commissioner

RECEIVED Arizona Corporation Commission  
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DOCUMENT CONTROLS DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF )  
 U S WEST COMMUNICATIONS, INC. FOR A )  
 HEARING TO DETERMINE THE EARNINGS )  
 OF THE COMPANY FOR RATEMAKING )  
 PURPOSES, TO FIX A JUST AND )  
 REASONABLE RATE OF RETURN THEREON )  
 AND TO APPROVE RATE SCHEDULES )

DOCKET NO. T-01051B-99-0105

AT&T SUMMARY OF DISCOVERY RELATED TO  
AT&T REQUEST NO. 71

AT&T Communications of the Mountain States, Inc. ("AT&T") hereby filed its  
 summary of AT&T Data Request No. 71:

1. AT&T Request No. 71 is an out-growth of AT&T Request No. 38.
2. AT&T Request No. 38 was contained in AT&T's First Set of Data Requests  
 served on U S WEST Communications, Inc., now Qwest Corporation ("Qwest") on June 29,  
 1999. AT&T Request No. 38 states:

For the years ending December 31, 1996, 1997 and 1998, separately, please  
 identify all project by name number and code, together with a description of  
 each, which resulted in an increase in Telephone Plant in Service, specify the  
 amount of the increase in investment for Telephone Plant in Service  
 associated with that project, and the date on which the increase in investment  
 for Telephone Plant in Service was entered on U S WEST's accounting  
 ledger.

3. Qwest objected to AT&T Request No. 38 on the grounds that the request was unduly burdensome and not reasonably calculated to lead to the discovery of relevant information.

4. AT&T filed a Motion to Compel Qwest to answer AT&T Request No. 38 on July 17, 1999.

5. A hearing on AT&T's Motion was held on August 30, 1999. The Administrative Law Judge ruled that Qwest must produce the requested material. Qwest essentially responded that it would determine if it would provide access to the materials at its offices or comply with the request in writing.

6. On September 10, 1999, AT&T sent a letter (attached hereto as Exhibit A) to Mr. Tom Dethlefs, Qwest's attorney, inquiring when AT&T would obtain access to the materials.

7. Instead of providing access to the materials, Qwest provided a list of projects for the years 1996, 1997 and 1998.

8. AT&T sent a letter (attached hereto as Exhibit B) to Mr. Dethlefs on December 3, 1999, along with an Excel spreadsheet identifying 176 plant additions that AT&T wanted to review the invoices, work or job orders and the engineering plant records for.

9. On December 21, 1999, AT&T called Mr. Dethlefs and left a message. Mr. Dethlefs did not return the call.

10. On December 28, 1999, AT&T sent another letter (attached hereto as Exhibit C) to Mr. Dethlefs requesting access to the materials for the 176 plant additions.

11. Mr. Richard Wolters, AT&T's attorney, contacted Mr. Dethlefs by telephone on January 4, 2000. Mr. Dethlefs asked how AT&T arrived at the list of 176 plant additions. Mr. Wolters explained the process to Mr. Dethlefs. Mr. Dethlefs asked Mr. Wolters to send a letter describing the process. Mr. Wolters sent the letter on January 5, 2000 (attached hereto as Exhibit D).

12. AT&T's attorney sent another letter (attached hereto as Exhibit E) to Mr. Dethlefs in March 6, 2000, inquiring when AT&T would be providing access to the support materials for the 176 plant additions.

13. On March 14, 2000, Mr. Dethlefs sent a letter (attached hereto as Exhibit F) to Mr. Wolters stating that he believed AT&T Request No. 38 had been answered.

14. To avoid further argument over the scope of AT&T's Request No. 38, on March 15, 2000, AT&T sent its Eighth Set of Data Requests, which contained one data request, AT&T Request No. 71.

For the 176 plant additions identified in the attached Excel spreadsheet, provide copies of all invoices, work or job orders and engineering plant records. Also identify whether each project was recorded as regulated on non-regulated and provide the documentation from the engineering department identifying such classification.

15. Qwest objected to AT&T Request No. 71, arguing the request was overbroad and unduly burdensome, not reasonably calculated to lead to the discovery of admissible evidence and called for highly confidential competitively sensitive information.

16. AT&T filed its Second Motion to Compel on April 4, 2000.

17. A hearing was held on June 16, 2000. Qwest agreed to break down the 176 plant additions by regulated and non-regulated investment by June 30, 2000. TR. 12 (June 16, 2000). AT&T agreed to provide Qwest with an explanation by June 30 of the other

additional information AT&T wanted that it believed was within the scope of AT&T Request No. 71. TR. 12-13.

18. On June 23, 2000, Mr. Wolters sent a letter (attached hereto as Exhibit G) describing the documentation for Specific Estimates it wanted to review in response to AT&T Request No. 71.

19. AT&T received the breakdown electronically for the 176 plant additions on or about July 11, 2000.

20. On July 13, 2000, AT&T e-mailed to Qwest a list of additional, specific plant additions, it wished to also review the documentation for.

21. It is AT&T's understanding that Qwest now believes it has answered AT&T's Request No. 71. AT&T disagrees.

22. It is obvious that AT&T has not received the backup materials for plant additions it has requested documentation for. AT&T believes the scope of AT&T Request No. 71 is broad enough to require Qwest to produce the invoices, worker job orders and engineering plant records that support the 176 plant additions. It is also obvious from the transcript that AT&T believed that Qwest's agreement to provide a breakdown of the 176 plant additions by regulated and non-regulated was only a first step to reduce the burden on Qwest of having to pull plant records for non-regulated investment. AT&T did not waive any right to see the additional support for the plant additions.

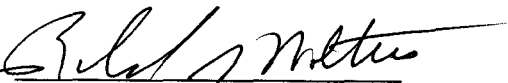
23. U S WEST has provided no backup for the plant additions. There is no basis to conclude that the investments are reasonable and are used and useful in the provision of regulated services.

AT&T requests that Qwest be ordered to provide access to the documentation from the Specific Estimates and the plant additions contained in the e-mail to Mr. Dethlefs.

DATED this 27th day of July, 2000.

Respectfully submitted,

AT&T COMMUNICATIONS OF  
THE MOUNTAIN STATES, INC.

By: 

Mary B. Tribby  
Richard S. Wolters  
AT&T Law Department  
1875 Lawrence Street  
Suite 1500  
Denver, Colorado 80202  
Telephone: (303) 298-6741  
Facsimile: (303) 298-6301



Richard S. Wolters  
Senior Attorney

Room 1575, 15th Floor  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6741

September 10, 1999

**VIA FACSIMILE AND US MAIL**

Mr. Tom Dethlefs  
U S WEST, Inc.  
1801 California Street  
Suite 5100  
Denver, CO 80202

Re: **U S WEST Arizona Rate Proceeding**  
**Docket No. T-1051B-99-105**

Dear Tom:

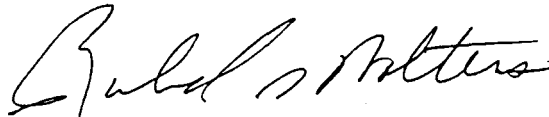
On August 30, 1999, a hearing was held on AT&T Communications of the Mountain States, Inc.'s ("AT&T") motion to compel U S WEST Communications, Inc. ("U S WEST") to respond to a number of AT&T data requests (15-18, 19-22 and 38). At the hearing, U S WEST agreed to provide additional information in response to AT&T Data Request Nos. 15-18. AT&T requested, and U S WEST agreed to provide, the account descriptions, definitions for "C-Side" and "X-Side," trace the sale to the Retired Asset account and to the financial schedules that reflect asset retirements in total for U S WEST's books. U S WEST, in response to AT&T Data Request No. 38, also agreed to provide, at U S WEST Denver offices, access to information supporting U S WEST's Telephone Plant in Service additions for the years 1996, 1997 and 1998. Lastly, U S WEST was ordered to make available the information requested in AT&T Data Requests 19-22 when U S WEST has compiled the information to support the recent sale of exchange to Citizens.

AT&T has not received any information in response to AT&T Data Request Nos. 15-18, nor has AT&T received any indication from U S WEST when AT&T's witness can review the information supporting U S WEST's Telephone Plant in Service additions. It is critical that AT&T receive this information and access as soon as possible. AT&T's testimony is due October 25, 1999.

Please advise when the information in response to AT&T Data Request Nos. 15-18 and access to the supporting documentation requested in AT&T Data Request No. 38 will be made available.

Sincerely,

AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATE, INC.

A handwritten signature in cursive script, appearing to read "Richard S. Wolters".

Richard S. Wolters

cc: Jerry Rudibaugh, Hearing Officer  
Timothy Berg, Fennemore Craig



Richard S. Wolters  
Senior Attorney

Room 1575, 15th Floor  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6741

VIA FACSIMILE AND US MAIL

December 3, 1999

Mr. Tom Dethlefs  
U S WEST, Inc.  
1801 California Street  
Suite 5100  
Denver, CO 80202

Re: U S WEST Arizona Rate Proceeding  
Docket No. T-1051B-99-105

Dear Dethlefs:

Enclosed is an Excel spreadsheet that identifies 176 plant additions that AT&T wishes to review the invoices, work or job orders and the engineering plan records. This sample of projects was pulled from the list of projects for years 1996, 1997 and 1998 provided by U S WEST in response to AT&T Request No. 38. Please call to arrange a mutually agreeable time for an AT&T representative to come to U S WEST's offices to review the documentation.

I wish to also advise that AT&T will, for selected projects, want to trace back the projects to U S WEST's books to determine whether a particular project was recorded as regulated or non-regulated. AT&T will advise U S WEST of such projects during the initial review.

Sincerely,

AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATE, INC.

A handwritten signature in cursive script that reads "Richard S. Wolters".

Richard S. Wolters





Richard S. Wolters  
Senior Attorney

Room 1575, 15th Floor  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6741

**VIA FACSIMILE AND US MAIL**

December 28, 1999

Mr. Thomas Dethlefs  
Mr. Andrew D. Crain  
U S WEST Communications, Inc.  
1801 California Street, Suite 5100  
Denver, CO 80202

Re: **U S WEST Arizona Rate Proceeding**  
**Docket No. T-1051B-99-105**

Gentlemen:

On December 3, 1999, I mailed to Tom an Excel spreadsheet that contained a list of plant additions that AT&T Communications of the Mountain States, Inc. wishes to review the invoices, work or job orders and engineering plan records. A copy of the letter without the attachment is attached. I asked Tom to call me to arrange agreeable times to review the materials. I have not received a response. On December 21, 1999, I left a follow-up message on Tom's voice mail. Tom did not return my call.

I would like to set a time to review the requested materials without having to bring this matter to the hearing officer; however, I cannot let this matter go on indefinitely. Please call so we can set an agreeable time for an AT&T representative to review these materials.

Sincerely,

AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATES, INC.

A handwritten signature in cursive script, appearing to read "Richard S. Wolters".

Richard S. Wolters

cc: Timothy Berg, Fennemore Craig  
Joan Burke, Osborn Maledon

RSW/crd



Richard S. Wolters  
Senior Attorney

Room 1575, 15th Floor  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6741

**VIA FACSIMILE AND US MAIL**

January 5, 2000

Mr. Thomas Dethlefs  
U S WEST Communications, Inc.  
1801 California Street, Suite 5100  
Denver, CO 80202

Re: **U S WEST's AZ 271 Application**  
**Docket No. T-00000A-97-238**

Dear Tom:

You requested that AT&T Communications of the Mountain States, Inc. identify the process it used to select the 176 plant additions contained in the Excel spreadsheet provided to you along with my letter to you dated December 13, 1999. AT&T selected investments in xDSL, frame relay, advanced services, investments made by U S WEST to provide interconnection and investments made to provide number portability. The cut-off was investments that exceeded \$100,000.

Sincerely,

AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATES, INC.

A handwritten signature in cursive script, appearing to read "Richard S. Wolters".

Richard S. Wolters

cc: Timothy Berg, Fennemore Craig  
Joan Burke, Osborn Maledon

RSW/crd



Richard S. Wolters  
Senior Attorney

Room 1575, 15th Floor  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6741

**VIA FACSIMILE AND U S MAIL**

March 6, 2000

Timothy Berg  
Fennemore Craig, P.C.  
3003 Central Ave., Suite 2600  
Phoenix, AZ 85012

Re: **U S WEST Rate Proceeding, Docket No. T-01051B-99-0105**

Dear Tim:

I wanted to follow up on two discovery issues in the U S WEST Arizona rate case. I need to obtain definite answers from U S WEST on these matters. Otherwise, I will have to take these matters back to the Hearing Officer.

On January 3, 2000, I sent a letter inquiring into the status of AT&T's data requests regarding information on the recent sale of exchanges to Citizens Utilities. As I pointed out in the letter, U S WEST agreed on the record at a hearing on August 30, 1999, to produce the information when U S WEST and Citizens Utilities filed their joint application. The application was filed December 22, 1999. During a conversation on January 4, 2000, you stated you would look into the matter. I have not received the responses to AT&T request numbers 19 through 22, nor have I received a response from you.

On December 3 and 28, 1999, I sent to Mr. Thomas Dethlefs, letters inquiring into the status of U S WEST's responses to AT&T request number 38. Although not required by the Hearing Officer to limit the scope of the request, AT&T reviewed the list of plant additions and provided a spreadsheet of 176 plant additions for which it wished to review the invoices, work or job orders and engineering plan records. I have received no word from Mr. Dethlefs to my letters or follow-up phone calls.

Since the Hearing Officer ruled in AT&T's favor on its original motion, I intend to pursue the issue of the plant additions before the Hearing Officer by requesting that all plant additions proposed for inclusion in rate base be denied. Apparently, U S WEST is not providing the information on the sale of exchanges in the hopes of keeping any adjustments to rate base and expenses out of the rate case. I intend to bring this issue before the Hearing Officer and request appropriate sanctions, for example, by requesting that the Hearing Officer not issue a Procedural Order in the rate case until the information is provided.

I believe this matter has gone on long enough. I will be out of town most of this week. Hopefully, you can confer with your client and provide some kind of response to me by Friday, March 10, 2000.

Sincerely,

AT&T COMMUNICATIONS OF  
THE MOUNTAIN STATES, INC.

A handwritten signature in dark ink, appearing to read "Richard S. Wolters", with a long horizontal flourish extending to the right.

Richard S. Wolters

EXHIBIT F

U S WEST, Inc.  
1801 California Street, Suite 5100  
Denver, Colorado 80202  
303 672-2848  
Facsimile 303 295-7069

Thomas M. Dethlefs  
Senior Attorney

March 14, 2000

VIA FACSIMILE

Richard S. Wolters  
AT&T  
Room 1875, 15<sup>th</sup> Floor  
1875 Lawrence Stree  
Denver, CO 80202

RECEIVED  
AT&T CO.

MAR 14 2000

OV-NIT \_\_\_\_\_  
MESS \_\_\_\_\_  
INTER-OF \_\_\_\_\_  
Other \_\_\_\_\_

Re: Rate Case Proceeding, Docket No. T-01051B-99-0105

Dear Rick:

On March 6, 2000, you sent a letter regarding data requests in the rate case to Tim Berg, U S WEST's outside counsel. Sometime ago, I informed you that I would be handling responses to discovery in the rate case. In reviewing the correspondence concerning the data requests that are the subject of your March 6, 2000 letter, I notice that at about year-end, you stopped sending letters to me and instead started sending them to Tim Berg and Andy Crain, neither of whom are handling responses to rate case discovery requests. Please direct all further correspondence on AT&T's rate case discovery requests directly to me so that I can ensure prompt responses and/or objections to your requests.

With respect to the data requests mentioned in your letter, U S WEST is presently preparing responses to Data Request Nos. 19 and 20. U S WEST stands by its objections to Data Request Nos. 21 and 22. Data Request No. 38 has been fully answered. We had previously discussed ways to reduce the burden of this request (by for example arranging an onsite review of a sample of plant additions). However, as it turned out, it was just easier to answer the request.

Please call if you have any questions.

Sincerely,

JMD

Thomas M. Dethlefs

cc: Tim Berg



Richard S. Wolters  
Senior Attorney

Room 1575, 15th Floor  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6741

June 23, 2000

Mr. Tom Dethlefs  
U S WEST, Inc.  
1801 California Street  
Suite 5100  
Denver, CO 80202

Re: **U S WEST Arizona Rate Proceeding**  
**Docket No. T-1051B-99-105**

Dear Tom:

I discussed the information that AT&T has requested in AT&T Data Request No. 71 with my subject matter expert to ascertain the information AT&T wishes to review. U S WEST's offer to break down the 176 plant additions by regulated and non-regulated investment by use of project codes is an acceptable start. In lieu of requiring U S WEST to provide individually "all invoices, work or job orders and engineering plant records," AT&T is willing, at this time, to limit review to Specific Estimates projects. AT&T requests on-site review of documents from the Specific Estimates file or folder for each regulated investment that indicate why the project was undertaken and why the money was spent and that show the coding of the project (which identifies the project as regulated or non-regulated).

It is AT&T's understanding that construction projects fall under one of two categories: Specific Estimates or Routine Estimates. Reports provided by U S WEST in response to data requests appear to bear this out. It is also AT&T's understanding that documents representing a Specific Estimates project are maintained in a file or folder in the engineering office. Finally, it is AT&T's understanding that Specific Estimate files are generally located in Denver.

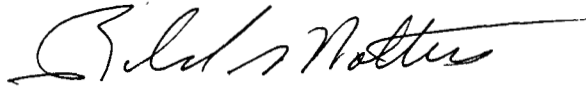
Therefore, initially, U S WEST would separate the 176 plant additions into two categories: regulated and non-regulated. U S WEST would subsequently break down the regulated projects into two sub-categories: Routine Estimates and Specific Estimates. AT&T would be provided the opportunity to conduct an on-site review of each file or folder maintained on the regulated Specific Estimates projects. Finally, AT&T would

reserve the right to review the files for Routine Estimates projects that appear to be monetarily substantial. After review of U S WEST's response to AT&T Request No. 72, AT&T will select specific plant additions for which it will request the same documents.

Please let me know if this is acceptable to U S WEST.

Sincerely,

AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATE, INC.

A handwritten signature in cursive script, appearing to read "Richard S. Wolters", with a long horizontal flourish extending to the right.

Richard S. Wolters

cc: Service List

## CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of the AT&T Summary of Discovery Related to AT&T Request No. 71 regarding Docket No. T-01051B-99-0105, were sent via overnight delivery, this 27th day of July, 2000, to:

Arizona Corporation Commission  
Docket Control - Utilities Division  
1200 West Washington Street  
Phoenix, AZ 85007

and a true and correct copy was sent via overnight delivery this 27th day of July, 2000, to:

Carl J. Kunasek, Chairman  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Jerry Porter  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

James M. Irvin, Commissioner  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Patrick Black  
Arizona Corporation Commission  
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William A. Mundell, Commissioner  
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Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007



and a true and correct copy was sent via Facsimile and United States Mail, postage prepaid, this 27th day of July, 2000, to:

Maureen Scott  
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Phoenix, AZ 85007  
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Jerry Rudibaugh  
Chief Hearing Officer  
Arizona Corporation Commission  
1200 West Washington Street  
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Timothy Berg  
Theresa Dwyer  
Fennemore Craig, P.C.  
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**FAX: (602) 235-9444**

Thomas Dethlefs  
Qwest Corporation  
1801 California Street, Suite 5100  
Denver, CO 80202  
**FAX: (303) 295-7069**

and a true and correct copy was sent via United States Mail, postage prepaid, this 27th day of July, 2000, to:

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Phoenix, AZ 85012

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Carla Dickinson